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**B20 EMPLOYMENT & EDUCATION TASKFORCE
POLICY PAPER**

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Editorial Chair

To be added in final version

Introduction

In recent years, Employment and Education have become core topics of the G20. The G20 leaders have recognized that more needs to be done to address unemployment, raise labour force participation, improve the education and qualification of the workforce and create framework conditions for quality jobs to ensure the G20's goal of sustainable economic and financial development.

The G20 leaders under the Turkish Presidency in 2015 and the Chinese Presidency in 2016 reaffirmed their commitment to continue collaboration between business and policy leaders to respond to global trends, tackle the issues associated with them and take advantage of the opportunities provided by them to provide meaningful opportunities for all. In 2015, the G20 pledged to reduce the share of young people who are most at risk of being permanently left behind in the labour market by 15% by 2025¹. In 2016, the Chinese G20 Presidency took a fresh approach to rising global unemployment, focusing on innovation and entrepreneurship as a means for creating employment, growth and development. Important initiatives coming out of the Chinese G20 are, for instance, the Entrepreneurship Action Plan within the G20 Employment process or the G20 Structural Reform Agenda². These initiatives have the potential to contribute to more dynamic labour markets, which generate more jobs and which enable people to reach their potential by opening their business, instead of just being employed. It is this sort of entrepreneurial thinking which is important for policy making at the G20 level and we urge the G20 leaders to continue with similar efforts in 2017 to tackle employment issues through effective policy implementation.

The B20 Employment and Education Taskforce advocates collaboration between business and policy leaders to adapt to global trends, tackle the issues associated with them, and take advantage of the opportunities provided by them to provide meaningful employment opportunities for all. While the issues and policy recommendations discussed in this document are pertinent to all G20 countries, unique geographic, macroeconomic and institutional environments in each G20 country require tailored implementation of the policy recommendations for maximum effectiveness.

¹ G20 (2015). G20 Leaders' Communiqué: Antalya Summit, 15-16 November 2015. [Link](#).

² G20 (2016). G20 Leaders' communiqué: Hangzhou Summit, 4-5 September 2016. [Link](#).

Context

In 2015, the global number of unemployed people reached 197.1 million – approaching 1 million more than in 2014 and over 27 million higher than pre-crisis levels³. The current rate of youth neither in education, nor in employment, or training (NEET) ranges from 10% to well over 30% in G20 countries, and has been in the rise in several G20 countries for the past few years⁴. The current global female labour force participation is 46.6%, compared to that of men which is at 76.1%⁵. These data illustrate the employment challenges currently facing G20 countries, and the trend is not expected to improve for the next few years. Global unemployment is expected to rise by 2.3 million in 2016, and another 1.1 million in 2017³.

Three global trends currently affect labour markets. Firstly, mobility is being accelerated on a global scale because of economic and technological factors. To facilitate mobility across geographic locations, between different forms of employment and professional mobility during one's career, governments should remove structural barriers to promote the growth of various forms of work and encourage an inclusive labour market. Secondly, technological change, while resulting in possible job losses due to the substitution of human labour with machines, also brings direct and indirect job creation, more wealth creation and access to new markets. Governments need to put in place policy settings that will enable an accelerated pace of innovation for all members of society and take greatest advantage of their skills. Finally, internationalization of production has led to improved trade and increased job opportunities, which would not otherwise have existed. Governments should act to encourage trade opportunities, while ensuring that their people are protected by enacting and implementing fundamental social and environmental standards. G20 governments need to change their approach to tackling employment issues to better reflect these changes in the global environment.

Challenges

1. Structural challenges

The greatest challenge currently facing efficient employment is structural issues governing labour laws, tax laws, legal gaps and cross-border movements. In the context of a global economy, it is essential that

³ ILO (2016). World Employment and Social Outlook: Trends in 2016. [Link](#).

⁴ OECD (2016). OECD Employment Outlook 2016. [Link](#). Last accessed on 14 November 2016.

⁵ ILO (2016). Women at Work: Trends 2016. [Link](#).

regulation not only allows for the free movement of goods, services and innovative ideas but also that modern migration policies, which are in line with labour market needs, enable the voluntary migration of people across borders. Global leaders and policymakers need to adapt regulation to contribute to the creation of open, dynamic and inclusive labour markets, which includes geographical mobility as well as mobility between employment and within one`s career. Encouraging the growth of various forms of work can also help youth and women from gaining access to the labour market.

2. Problem of skills mismatch

The latest technological innovation is characterized by a faster rate of change, continuous transformation and greater volatility than its predecessors. This phenomenon is anticipated to offer tremendous opportunity for entrepreneurs and society to innovate, start new businesses and improve people`s lives. However, the nature and speed of technological change may create a major disruption in the world of work. Governments need to put in place policy settings that will enable an accelerated pace of innovation, give people the skills they need to get into and advance in the labour market and allow them to make the best of new possibility arisen by technological change. Considering the diverse national realities and circumstances the aim should be to position workers to adapt to technologies and jobs that are on the rise. It is notable that a number of studies find that uneven distribution of skills and education in a society is a prime driver of the income polarization that afflicts many G20 countries. Improving skills alignment, access and quality education, along with worker training can help reduce these economic disparities.

3. Poor enforcement of national laws

Globalisation has increased the fragmentation of production processes as intermediate stages are performed by different suppliers and link many jobs across borders through global supply chains. However, better implementation and enforcement of legislation at the national level is essential in contributing towards safe and healthy working conditions while shaping fair competition. Governments should endeavor to protect people in their territory against human rights infringements while businesses need to comply with national laws and respect human rights. The dissemination of the OECD Guidelines for Multinational Enterprises beyond the OECD Member States is one means by which to facilitate responsible business conduct.

Executive Summary

1. Promote open, dynamic and inclusive labour markets
 - Governments should remove legal and structural barriers to the labour market and promote new forms of work.
 - Governments should create policy frameworks that improve female labour market participation. G20 countries should bring migration policies in line with labour market needs.

2. Harness the potential of technological change through education
 - G20 countries should implement clear and consistent regulations to drive innovation.
 - G20 countries should invest in skills development by identifying jointly with the business community the skills needs of each country.
 - G20 countries should establish in cooperation with social partners vocational training programs that instruct workers in skills to be competitive in the new economy.

3. Create a global level playing field and promote fair competition
 - It is duty of the State to protect people in its territory against human rights infringements and it is the responsibility of companies to comply with national laws and respect human rights.
 - G20 countries should enact and implement fundamental social and environmental standards while providing support and training to businesses so that they are capable of implementing environmental, social and human rights standards adequately. However, the introduction of legal obligations for Global Supply Chains should be avoided. They would cause legal risks and would have adverse effects on the ground.
 - G20 should build on the German G7 Presidency as well as the ILO ILC Discussion on Decent Work in Global Supply Chains and strengthen existing initiatives on promoting sustainable Supply Chains
 - G20 countries should promote the OECD Guidelines for Multinational Enterprises in order to strengthen responsible business conduct and shape fair competition.

Recommendation 1. Promote open, dynamic and inclusive labour markets.

Overview

| | |
|-------------------------|---|
| Recommendation | Promote open, dynamic and inclusive labour markets |
| Owner | G20 members |
| Timing | Provide a status update by 2018 G20 leaders meeting in Argentina |
| Value | Increase job opportunities, encourage participation of previously-untapped individuals in the labour market (such as youth and women) and facilitate transitions across jobs and geographical locations. |
| KPI | % new jobs % self-employed workforce % decrease in % of youth neither in employment nor in education or training (NEET) Number of new business registrations Global Talent Competitiveness Index |
| Current (Target) | 15% increase in new jobs provided by SMEs 15% increase in self-employed workforce 15% increase in new business registrations 15% decrease in % of youth nether in employment nor in education or training (NEET) by 2025 |

Context

Dynamic processes such as digitalization, the growth of the digital economy and technological advances, coupled with profound changes in the organization of work, globalization, demographic change, environmental challenges, as well as new ways of organizing the production of goods and the delivery of services, provide a myriad of opportunities to society while at the same time presenting considerable challenges.

The diversification of working conditions and the rise of new forms of work provide for new solutions to the labour market, increasing labour market participation and allowing for better balance between work and life.

For employers, this can be a way towards a better skill match and to start cooperation while reducing costs⁶.

A G20-wide commitment to remove structural and legal barriers, increase mobility and flow of talent and promote the growth of various forms of work will resolve to tackle these issues at a global level. This show of commitment would reinforce the importance of undertaking structural reforms and assist member countries to overcome local political resistance to any of the proposed policies.

Policy Action 1

1.1. Governments should remove legal and structural barriers on the labour market and promote various forms of work

New career paths are emerging. With people moving more often from one job to another and companies reducing the number of hierarchy levels, the concept of a career is changing. Individuals are building careers throughout one's lifetime by moving across different geographical locations as well as transitioning between different forms of work. A U.S. Survey, for instance, reports that three-quarters of people who are unemployed and able to work would be likely to work if they had flexible options⁷.

As numerous studies have shown, labour market rigidities and excessive legislation on various forms of work hamper job creation and create uncertainty on the legal environment⁸. They also prevent certain groups of individuals notably youth and women from accessing the formal labour market. Reducing structural barriers in labour market regulations and allowing for a flexible switch among various forms of work would increase labour market participation especially among the youth⁹. Thus, governments should remove structural barriers and promote the establishment of various forms of work.

Open and dynamic labour markets are also of fundamental importance to tackle informality. In developing economies, many individuals are attracted to the informal economy out of necessity, that is, they have no other opportunities. For instance, 9 out of 10 young workers in low-income countries, and two thirds of

⁶ European Commission (2016). Employment and Social Developments in Europe in 2015. [Link](#).

⁷ McKinsey Global Institute (2015). A labour market that works: Connecting talent with opportunity in the digital age. [Link](#).

⁸ World Bank (2016). Doing Business 2017. [Link](#).

⁹ Bertcherman G (2014). Designing labour market regulations in developing countries. IZA World of Labour. [Link](#).

young workers in middle income countries are employed informally¹⁰. In addition, in many emerging economies, new jobs are predominantly created in the informal sector¹¹. Governments should lower structural barriers and reduce tax burdens to facilitate transitions from informality to formality. Governments should also create incentives to encourage entrepreneurs to operate in the formal sector by reducing the cost and time of business registration, spreading information about how to register and stamping out corruption.

Policy Action 2

1.2. Governments should improve female labour market participation

Women's economic empowerment is an integral part of an inclusive labour market, if only because women represent at least half of the world's potential human resource. There is ample evidence that economies that have integrated women more rapidly into the workforce have improved their international competitiveness. For instance, since 1995, narrowing the gap between male and female employment rates has accounted for half of the increase in Europe's overall employment rate and a quarter of annual growth¹². Yet, female labour force participation still lags significantly behind that of men.

An important government response in empowering women is to remove legal restrictions that hinder their participation in the labour market. Economies with more restrictions for women tend to have on average lower female labour force participation and a lower percentage of female labour force relative to male. The same relationships apply to women's participation in firm ownership and management¹³.

The lack of workplace flexibility has also led to the underutilization of female talent where skilled women are prevented from advancing into top management and sometimes exit the labour market entirely¹⁴. While removal of legal barriers hindering women's empowerment is an important first step towards attracting

¹⁰ ILO (2015). Global Employment Trends for Youth. [Link](#).

¹¹ ILO and WTO (2009). Globalisation and Informal Jobs in Developing Countries. [Link](#).

¹² OECD (2008). Gender and Sustainable Development: Maximising the Economic, Social and Environmental Role of Women. [Link](#).

¹³ World Bank (2016). Women, Business and the Law 2016. [Link](#).

¹⁴ ILO (2015). Women in Business and Management: Gaining Momentum. [Link](#).

women to the labour market, providing care infrastructure can go further in helping women to fully participate in the labour market.

Moreover, female employment has been a key topic under former G20 Presidencies. G20 Labour Ministers committed, for instance, in September 2014 to a range of measures for boosting female participation, quality of employment and gender equity. The G20 agreed in 2014 to reduce the gender participation gap across G20 countries by 25% by 2025. These commitments need to be followed-up. An IOE-BIAC monitoring report from July 2016 shows that the implementation of the 2014 G20 commitments at national level is by far not sufficient.

Policy Action 3

1.3. G20 countries should bring migration policies in line with labour market needs

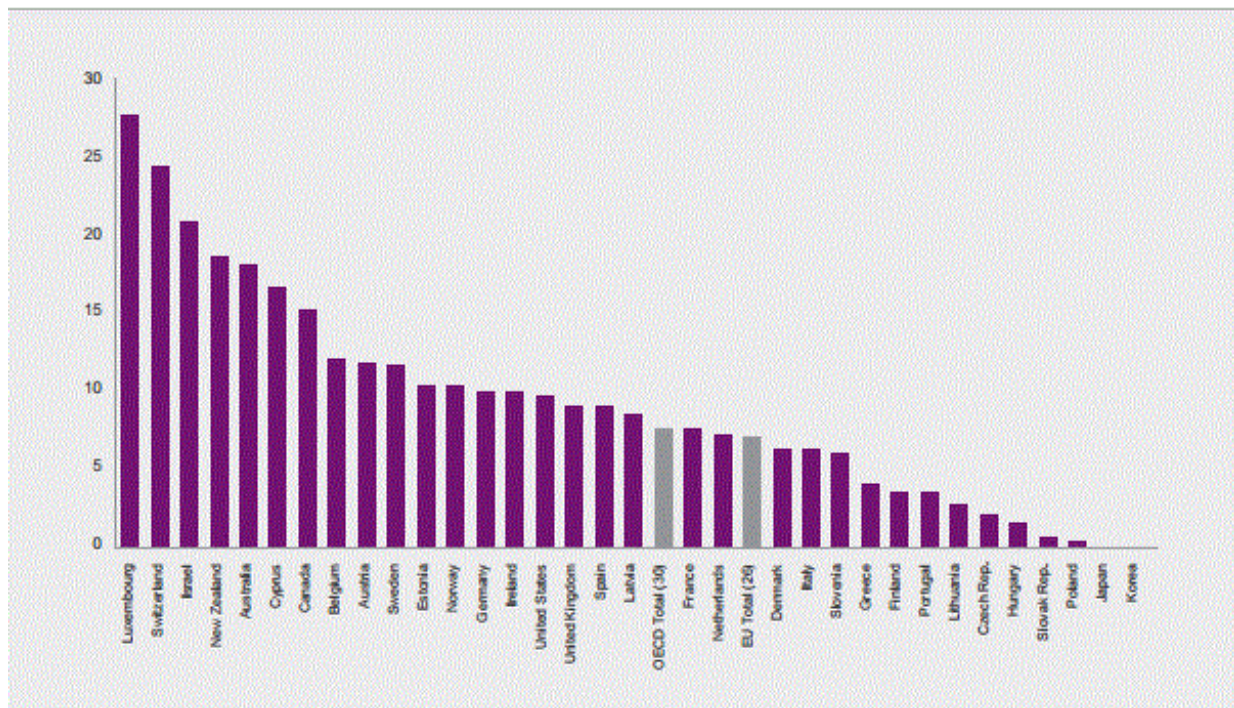
Around the world, developed economies are facing the impact on labour of ageing population and falling birth rates. The shrinking domestic labour pool means shortages of workers at all skill levels particularly the high-skilled. Worldwide, a shortage of 38 to 40 million workers is projected by 2020. In Germany, for instance, a shortage of 6 to 7 million workers is predicted by 2025¹⁵. In such a context, attracting talents outside of the domestic labour market is crucial in addressing the shortage of skilled labour¹⁶.

Many governments are aware of the need to attract skilled migrants and have migration and labour laws that provide for the entry of skilled foreign workers. However, problems of implementation persist. Too often, cumbersome, unclear, or continuously changing procedures and regulations, often adopted in response to protectionist demands from domestic constituencies, make it difficult for enterprises to hire or transfer skilled workers into their jurisdictions in a predictable and cost-effective way. Thus, Governments should set up easy-to-understand, employment-friendly immigration law which allows easy access to the formal labour market and reduce incentives for informality.

¹⁵ ILO (2015). ILO Global Estimates on Migrant Workers. [Link](#).

¹⁶ INSEAD, Adecco Group and Human Capital Leadership Institute (2015). The Global Talent Competitiveness Index. [Link](#).

Countries with larger foreign-born populations as a percentage of total population



Source: OECD (2015)

Value

Open, dynamic and inclusive labour markets play a growing role for economic growth, competitiveness and development. Geographical mobility is not an end in itself, but should serve an important purpose. OECD countries, for instance, face skills shortages in healthcare, science and engineering, education, trade and repair services. Developing the right people with the right skills and getting them in the right place at the right time has never been more urgent, nor more complex. Businesses will therefore need to attract, retain

and deploy key talent globally. This cannot be done without the removal of structural and legal barriers that inhibit transitions.

| Ref | Action |
|-----|---|
| 1.1 | Governments should remove legal and structural barriers to the labour market and promote various forms of work. |
| 1.2 | Governments should improve female labour market participation. |
| 1.3 | G20 countries should bring migration policies in line with labour market needs. |

Recommendation 2. Harness the potential of technological change through education.

Overview

| | |
|-------------------------|---|
| Recommendation | Harness the potential of technological change through education |
| Owner | G20 members |
| Timing | Provide a status update by 2018 G20 leaders meeting in Argentina |
| Value | Using a strategic approach to combat skills mismatch through well-designed programmes leads to higher wages and job satisfaction for the workforce, increased productivity and lower employee turnover for companies and consequently improves structural unemployment and economic growth. |
| KPI | % decrease in % of skills mismatch of employed (total share of under-skilled and over-skilled) % of employers with re-training programmes % of workforce with high level of proficiency (Level 2 or 3) in technology-rich environments. |
| Current (Target) | 50% decrease in % of skills mismatch of employed by 2025. 75% of workforce with high-level of proficiency in problem solving in technology-rich environments by 2025. |

Context

The advent of technological change has led to diverging impact across countries. There are predictions of significant differences across advanced and developing countries by 2020¹⁷. A potential global shortage of about 38-40 million high-skilled workers is projected, with a 16-18 million shortage in the advanced economies. A potential shortage of 45 million middle-skilled individuals in developing countries is also projected. On the other hand, a potential surplus of 90-95 million low-skilled workers is projected with a majority (58 million) in developing and emerging economies.

For advanced economies, these imbalances could lead to more long-term and structural joblessness as more youths may lack the employable skills to replace the many older workers retiring from the labour market. In developing economies, an inadequate supply of highly skilled workers could slow a nation's development into higher value-added industries and hinder the productivity gains. The B20 Employment and Education Taskforce urges G20 countries to tackle skills mismatch by putting in place optimum policy settings that not only enable an accelerated pace of innovation for all members of society and make the best use of their skills; but also to ensure the education curricula is in line with the needs of the labour market.

Policy Action 1

2.1. G20 countries should implement clear and consistent regulations while reducing bureaucracy to drive innovation

To be competitive in the global economy, businesses need to harness technology and innovation to deliver products and services that are cost-effective, convenient, functional and sustainable. A survey conducted by PwC in 2011 found that 80 percent of CEOs believed innovation drives efficiencies and leads to competitive advantage¹⁸. However, there are a number of barriers that businesses encounter when adapting to technological innovation. Chief among these are the additional costs of doing business, cited by 45% of CEOs. Compliance with unclear or inconsistent regulations, cited by 42% of CEOs, also incur costs¹⁹.

Regulations covering the establishment and operations of businesses can be particularly onerous for SMEs

¹⁷ McKinsey Global Institute (2012). The world at work: Jobs, pay and skills for 3.5 billion people. [Link](#).

¹⁸ PwC (2011). 14th Annual Global CEO Survey. [Link](#).

¹⁹ PwC (2016). Transforming: Technology, innovation and talent. [Link](#). Last accessed on 14 November 2016.

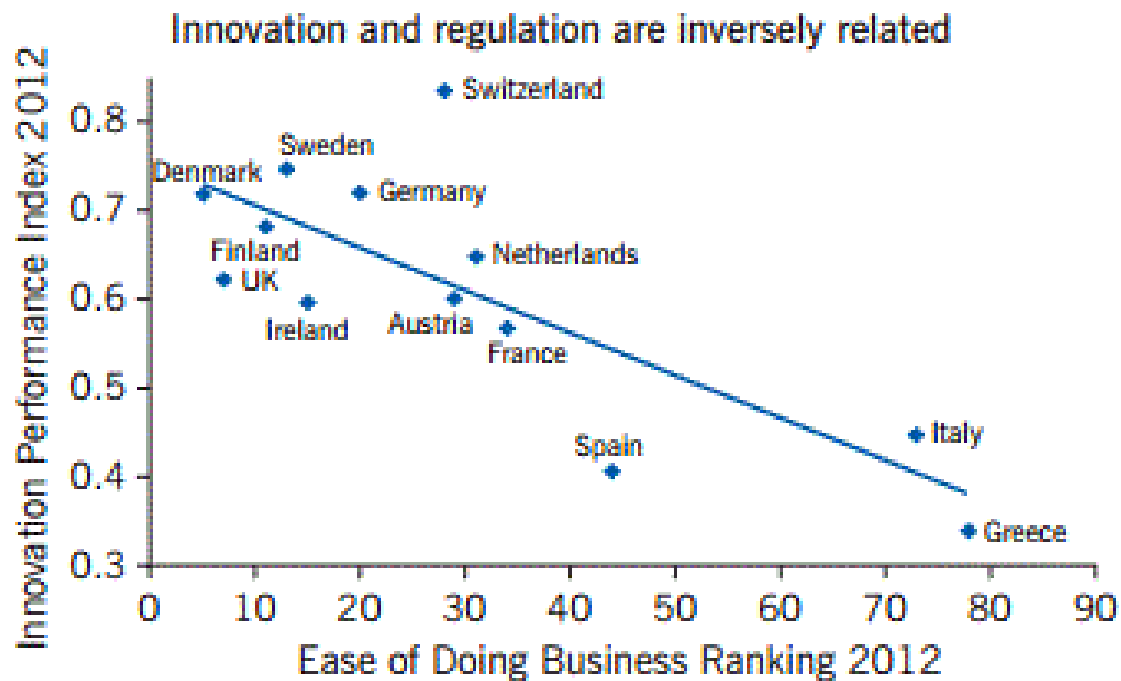
which, as studies of innovation and firm size have shown, are among the most technologically dynamic of enterprises. An area believed to be particularly adverse to the innovative process is rules concerning establishing a business, which can discourage the creation of new technology-based firms and innovative start-ups.

Governments need to establish clear and consistent regulations for businesses to operate and innovate in. Over-regulation can create additional burdens and costs while under-regulation can lead to a climate of uncertainty that will threaten investment, national growth and competitiveness. Businesses should work together with governments to ensure an optimal regulatory framework to foster innovation.

Moreover, an early stage finance mechanism that provides the sufficient funding for new companies with innovative ideas and growth potential, but an unproven track record, will also help to promote entrepreneurship and innovation. Over one quarter of all business discontinuance in Africa and Southeast Asia is due to a lack of finance²⁰.

²⁰ Kelley D, Singer S and Herrington M (2016) Global Report 15/16: Global Entrepreneurship Monitor. [Link](#).

Innovation and regulation are inversely related



Source: Innovation Union Scoreboard; World Bank (2012)

Policy Action 2

2.2. G20 countries should invest in skills development by identifying the skills needs of each country

In a number of advanced economies the introduction of new technologies has led to the phenomenon of job polarization, that is, the shift towards the employment of both the highly and the unskilled at the expense of the medium-skilled²¹. Moreover, employers have reported talent shortages varying widely from 14% in the Netherlands, Spain and the UK to 82% in Japan²². Despite being highly educated, the unemployed may also lack interpersonal and leadership skills, knowledge of foreign languages, readiness to learn, problem solving

²¹ European Center for the Development of Vocational Training (2012). Future skills supply and demand in Europe. [Link](#).

²² Manpower Group (2015). Talent Shortage Research Results. [Link](#).

or other “soft skills” important for employability.

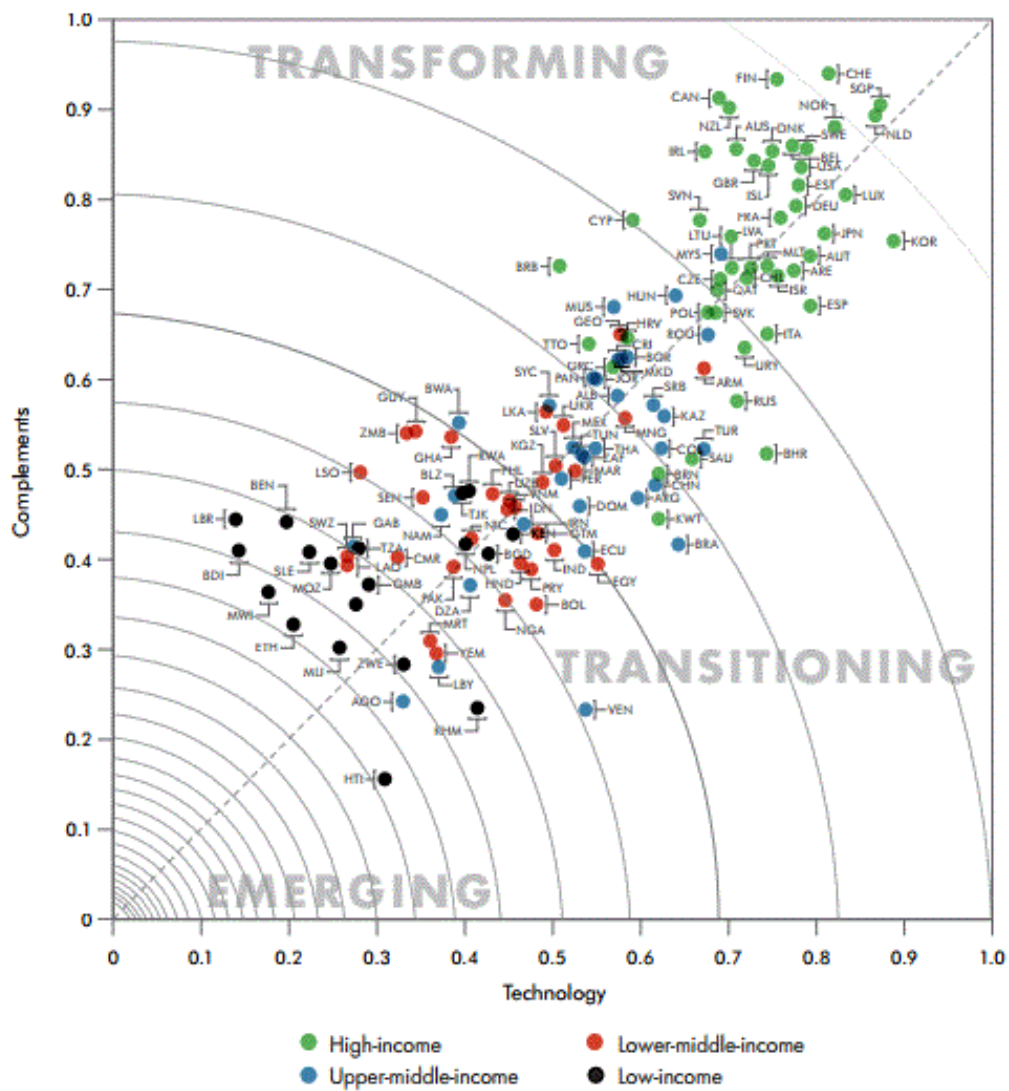
Governments should focus in close cooperation with business on increasing skills that will be needed in the new technology based on their national circumstances and priorities. For countries with an emerging digital economy, governments need to focus on basic literacy and numeracy skills and promote adult literacy.

For countries transitioning to a digital economy with high technology use, governments need to focus on increasing the core capabilities of the workforce by concentrating on transferable skills such as cognitive, numeracy, and literacy skills and preparing individuals for careers rather than for specific jobs²³. For countries already transforming into a digital economy, education and training systems should put more emphasis on advanced ICT skills and offer more opportunities for lifelong learning²⁴.

²³ OECD (2015). Skills Outlook 2015: Youth, skills and employability. [Link](#).

²⁴ World Bank (2016). World Bank Development Report: Closing the digital divide. [Link](#).

Quality of education and technology rises with income



Source: World Bank Development Report (2016)

Policy Action 3

2.3. G20 countries should establish in cooperation with social partners vocational training programs that instruct workers in skills to be competitive in the new economy

As the economy transitions into an age of automation and digitization, the need for a skillset that makes workers competitive in the digital era is increasingly important. Establishing vocational training or apprenticeship programs specifically focused on increasing skills that will be needed in the new technology era would be one effective method for increasing these skills. Leading these vocational training programs through a digital platform that expose apprentices to the skillsets needed in the new economy would be one innovative way to approach skills development.

Vocational training must be consistently aligned with labour market needs and practical requirements, ensuring that apprentices are employable when they complete their courses. The best way to achieve vocational training systems in line with labour market needs is to involve social partners very closely in the establishment of curricula. Too often, curricula are designed without sufficient involvement of business, employer organizations and social partners, with the result that they do not meet the needs of labour markets. Additionally, in many countries work-based learning systems are inadequate because of inadequate economic framework conditions such as, for instance, high upfront costs. A further problem is that work-based learning systems, such as dual learning and apprenticeships schemes, are in some cases limited to traditional vocations and do not encompass modern professions

Focusing on science, technology, engineering and mathematics (STEM) education could help limit skills mismatches by addressing skills gaps in these subjects. STEM occupations in Europe are expected to grow 14% in 2020, compared with 3% for other occupations, yet the supply of workers with education qualifications in STEM subjects is projected to fall. Vocational training that develops the STEM and new technology skills needed for youth to effectively transition to full employment would help reduce skills mismatches²⁵.

The G20 has committed in the ILO G20 Training Strategy, which was agreed upon and welcomed by the G20 Leaders Summits in Toronto and Seoul in 2010, in the G20 Key Elements of Quality Apprenticeships from 2012 as well as in the 2016 G20 Apprenticeships Initiative on core issues to make vocational training programs more effective and efficient. States must now follow-up on their commitments and resolutely

²⁵ European Center for the Development of Vocational Training (2012). Future skills supply and demand in Europe. [Link](#).

implement the various training strategies and initiatives.

Business has established with the Global Apprenticeships Network (GAN) a key initiative to promote quality apprenticeships. The GAN is a coalition of committed companies, international organisations and business and employers' federations who create work-readiness programmes for youth and foster skills for business. The G20 should support the GAN in its endeavor to build up national networks around the globe and to contribute to the G20 work on youth unemployment and skills development.

Value

A competitive and open business environment that favors the adoption of technology change has been shown to be associated with lower skill mismatch. High transaction costs and strict rental market regulations are associated with disproportionately higher mismatch amongst youth while higher participation in lifelong learning associated with lower mismatch, as training beyond formal education can address changing labour market needs²⁶.

| Ref | Action |
|-----|---|
| 2.1 | G20 countries should implement clear and consistent regulations to drive innovation. |
| 2.2 | G20 countries should invest in skills development by identifying the skills needs of each country. |
| 2.3 | G20 countries should establish in collaboration with social partners vocational training programs that instruct workers in skills to be competitive in the new economy. |

²⁶ McGowan MA and Andrews D (2015). Skills mismatch and public policy in OECD countries. [Link](#).

Recommendation 3. Create a global level playing field and promote fair competition.

Overview

| | |
|-------------------------|---|
| Recommendation | Create a global level playing field and promote fair competition. |
| Owner | G20 members |
| Timing | Provide a status update by 2018 G20 leaders meeting in Argentina |
| Value | Promote the UN Guiding Principles and the OECD MNE Guidelines that clearly define the different responsibilities of the State and that of businesses for the protection of human rights |
| KPI | |
| Current (Target) | |

Context

Participation in cross-border trade has created jobs for millions of people, which would not otherwise have existed in these economies. But more than just a job, the preponderance of academic research indicates that these are better jobs: across a variety of developing countries, supply-chain connected firms exhibit better working conditions in comparison to alternative, domestic firms which is often in the informal economy²⁷.

The positive impact of trade on job creation is particularly important in view of the demographic trends in many producing countries, where millions of young people join the cohort of the working-age population every year and are desperately looking for opportunities to enter the labour market. Participation in cross-border supply chains lifts their chances of getting a foothold in the world of formal work and their ability to do well for themselves and their families and to contribute to the broader society and economy around them. It is for this reason that cross-border supply chains are called "ladders of development"²⁸.

²⁷ WTO (2013). Supply Chain Issues. [Link](#).

²⁸ UNCTAD (2013). Global Supply Chains: Trade and Economic Policies for Developing Countries. [Link](#).

Indeed, the disaggregation of production into separate stages across supply chains allows firms not only to find their place on the ladder, but also to move up the rungs as their productive capabilities improve, which tends to happen as connection to global supply chains facilitates the transfer of knowledge from buyers to suppliers, promoting new technologies in production processes thereby enhancing productivity and competitiveness among firms within countries and for whole sectors of economies vis-à-vis competitors from other countries.

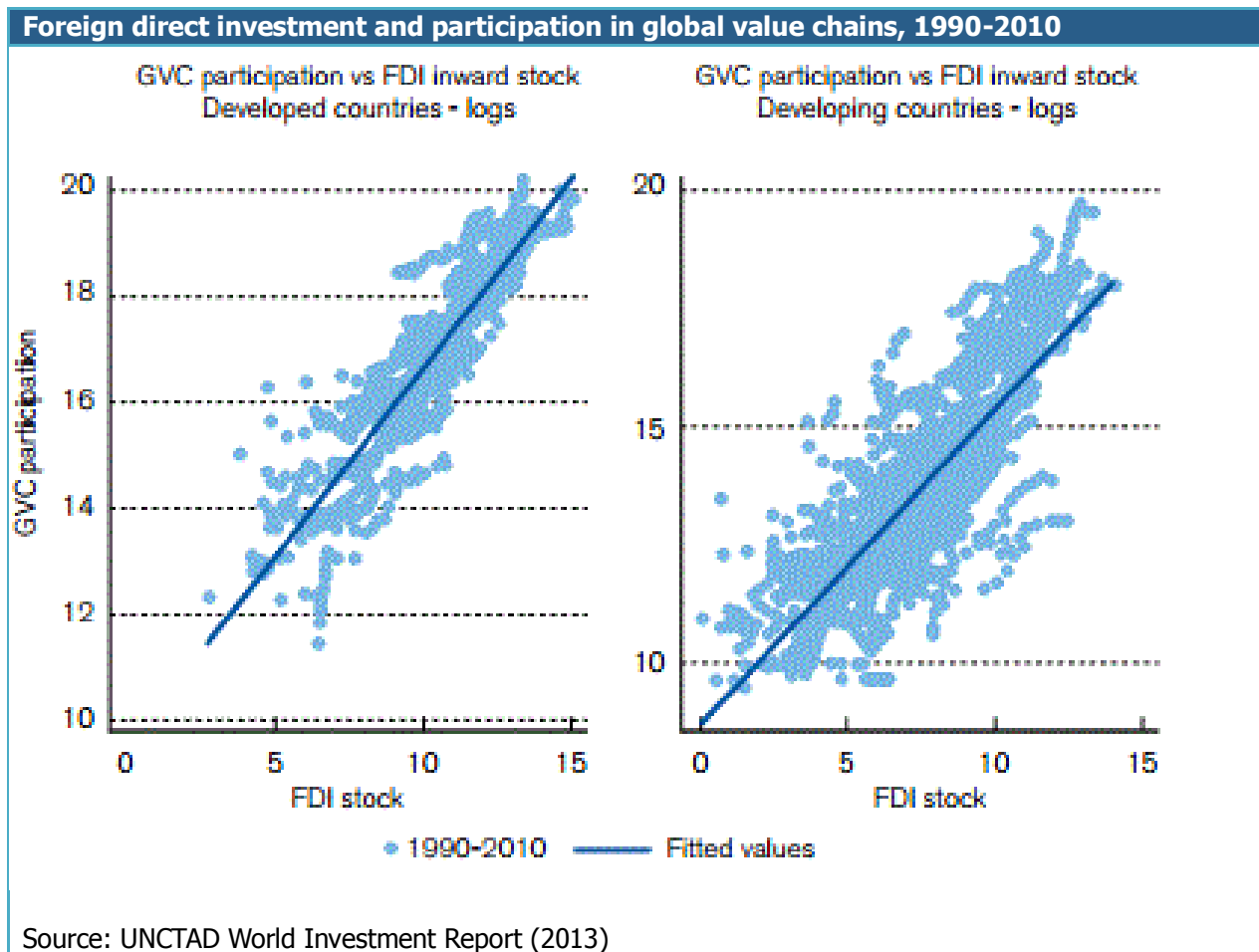
Policy Action 1

3.1. G20 countries should ensure better implementation and enforcement of legislation at the national level

Business enterprises have a profound impact on society as they help to increase access to work thereby contributing to job creation while influencing the rights of workers, consumers and communities wherever they operate. The UN Guiding Principles on Business and Human Rights under the UN Framework (Protect, Respect and Remedy) recognizes the separate roles of the government and the enterprise in respecting human rights. Governments have the duty under international human rights law to protect their people from human rights abuses. This duty means that governments should have effective laws and regulations in place to prevent and address business-related human rights abuses and ensure access to effective remedy for those whose rights have been abused. In doing so governments should not differentiate between companies producing for the global market and those producing only for the domestic market. Decent work challenges must be addressed in all companies, and not only the ones which produce for the global market.

It is the role of the governments to enact and implement national legislation that can prevent business-related human rights abuses and this task cannot be delegated to companies. Businesses have the responsibility to comply with national law and respect human rights wherever they operate. However, the introduction of legal obligations for Global Supply Chains should be avoided. They would cause legal risks and would have adverse effects on the ground. Through business engagement, companies can supplement policymakers' efforts in societal development and social progress. G20 governments should acknowledge that many companies are already very active with regard to their global supply chains. There are numerous initiatives, alliances, and measures, which companies use to meet their responsibility within the global supply chains. In addition, the number of companies which integrate CSR and sustainability strategies in their core business is growing constantly, as is the number of those developing their own sustainability strategies.

Having clear laws which are duly implemented and enforced provide investors with the confidence to invest in a country, thereby creating great opportunities for both countries and companies: better living standards, higher productivity, the deployment of new technologies, increased employment opportunities, and more diversified and resilient economies. For instance, having a clear rule of law has been attributed as a key reason as to why Singapore is attractive to major investors²⁹.



²⁹ WTO (2014). The facilitation of trade by the rule of law: the cases of Singapore and ASEAN. [Link](#).

Policy Action 2

3.2. G20 should build on the German G7 Presidency as well as the ILO ILC Discussion on Decent Work in Global Supply Chains and strengthen existing initiatives on promoting sustainable Supply Chains

Global Supply Chains are not new on the political agenda. The German G7 Presidency in 2015 developed a comprehensive set of initiatives and actions on sustainable Supply Chains, such as the Vision Zero Fund³⁰. The Vision Zero Fund aims to bring about enhanced occupational safety and health in producing countries and wants to raise general awareness for this issue. The G20 should acknowledge and support this comprehensive set of initiatives and activities and avoid to duplicate and jeopardize their success through new undertakings, which might be less complementary but rather competitive.

Moreover, the ILO had at the International Labour Conference in June 2016 an intense debate on Decent Work in Global Supply Chains, which was followed-up by an ambitious ILO action plan to promote Decent Work in Global Supply Chains. According to the agreed compromise global supply chains are very complex, diverse and have become more and more fragmented. The real possibilities for companies to influence the supply chain are highly divergent and depend to a great degree on the number of suppliers, the structure and complexity of the supply chain as well as the market position of the company. Furthermore, large companies have many suppliers – often several thousands. What is important is to provide support and training to businesses within the supply chain so that they are capable of implementing environmental, social and human rights standards adequately. The G20 should fully respect the agreed compromise and offer to support the roll-out and implementation of the ILO Action Plan on Decent Work in Global Supply Chains. They should support the ILO to establish a one-stop-shop for companies with country specific information on Labour and OSH regulation, decent work risks, etc.

One of the ILO projects to improve working conditions and productivity in producing countries is SCORE. SCORE is a practical training and in-factory consulting programme that helps SMEs to participate in global supply chains. It addresses potential contributing factors to human rights violations and decent work deficits such as lack of information and knowledge, limited management capacity and harmful business practices. The G20 should endorse and promote the roll-out of the SCORE programme.

³⁰ ILO (2016). Vision Zero Fund. [Link](#).

Case Study

Sustaining Competitive and Responsible Enterprises (SCORE) is a practical training and in-factory counselling program that improves productivity and working conditions in SMEs. Over the last six years, 520 SMEs have been trained in nine countries to grow and create more and better jobs by improving their competitiveness through quality, productivity and workplace practices. G20 governments should draw the main lessons of such programs for national policy design processes and provide support to the ILO to scale up the program so as to reach other countries and even more SMEs

Policy Action 3

3.3. G20 countries should promote the OECD Guidelines for Multinational Enterprises in order to strengthen responsible business conduct and shape fair competition

The OECD MNE Guidelines are the most comprehensive instrument for promoting responsible business conduct. They provide voluntary principles and standards, covering all major areas of business ethics: human rights, information disclosure, employment and labour, environment, anti-corruption, consumer interests, science and technology, competition and taxation. The MNE Guidelines are deliberately not legally enforceable as they are intended to stimulate responsible behavior, not to trigger legal disputes. As they provide for a complaint mechanism for stakeholders via the National Contact Point to help parties resolve issues concerning the implementation of the MNE Guidelines by a company in a specific case.

At the same time, the MNE Guidelines are not only a demand on business. They also contribute to providing a global level playing field, nationally and internationally, by setting out the standards of responsible behavior that are expected from all MNEs. They also protect businesses from unrealistic expectation from stakeholders³¹.

The G20 governments should endeavor to attract additional non-OECD countries for the OECD Guidelines. In a globalized world the OECD guidelines play a key role in shaping fair competition by serving as a system of global governance for multinational enterprises³². The practical approach strengthens responsible conduct by companies. The task now is to disseminate the guidelines worldwide beyond the OECD Member

³¹ BIAC (2015). Responsible Business Conduct: The OECD Guidelines for Multinational Enterprises. [Link](#).

³² Reinert KA, Reinert OT and Debebe G (2016). The new OECD Guidelines for Multinational Enterprises: Better but not Enough.

States as recognized principles for responsible business conduct with respect to foreign investments.

Value

Safe and healthy workplaces and the better implementation and enforcement of fundamental principles and rights at work will contribute to sustainable development and a global level playing field. The G20 support for existing supply chain initiatives will ensure the impact and sustainability of these programmes. Particularly the OECD Guidelines for Multinational Enterprises have a key role to play to promote responsible business conduct.

| Ref | Action |
|-----|--|
| 3.1 | G20 countries should ensure better implementation and enforcement of legislation at the national level. |
| 3.2 | G20 should build on the German G7 Presidency as well as the ILO ILC Discussion on Decent Work in Global Supply Chains and strengthen existing initiatives on promoting sustainable Supply Chains |
| 3.3 | G20 countries should promote the OECD Guidelines for Multinational Enterprises in order to strengthen responsible business conduct and shape fair competition. |

Outlook B20 Presidency

To be added in final draft; track for realization of targets

Taskforce

Leadership

The Employment and Education Taskforce was established under the leadership of Gerhard F. Braun, Vice-President of the Confederation of German Employers (BDA). The Chair is supported by eight Co-Chairs: Lei Zhang, Founder and CEO of Hillhouse Capital Management Limited; Yogendra Modi, Executive Chairman of Great Eastern Energy Corporation Limited; Daniel Funes de Rioja, President of the International Organisation of Employers (IOE); David Iakobachvili, President of Orion Heritage Corporation Limited; Mthunzi Mdwaba, IOE Vice President for Africa; Erol Kiresepi, Chairman and CEO of Santa Farna Pharmaceuticals; Kathryn Porter, Director of Youth Strategy for European, Middle East and Africa; and Peter Robinson, President and CEO of United States Council for International Business (USCIB).

Membership

Membership of the Employment and Education Taskforce consisted of over 90 senior executives from the private sector, business associations, and non-profit organisations and was broadly representative of G20 countries. Having members from a diverse range of backgrounds and expertise allowed the taskforce to approach the issues surrounding employment from a broad and exhaustive range of perspectives. The taskforce received strong support from Deloitte, the taskforce's knowledge partner, the BDA, the B20 secretariat and IOE, the business network partner. Please see the appendix for the complete list of members in the 2017 B20 Employment and Education Taskforce.

Policy development

The policy development process began with a brainstorming exercise to develop themes for investigation based on the recommendations of B20 China. Each theme was then deeply researched and debated within the taskforce to generate draft recommendations. The Employment and Education Taskforce initially derived three potential policy themes for the 2016 kickoff meeting in Geneva. These themes were based on identified macro trends and their labour market implications and were discussed within the taskforce. Through an iterative process, the themes were discussed and high impact, consistent and actionable recommendations were then proposed, debated and refined during meetings in Brussels, Geneva and Berlin. Contributions from the taskforce members were then coordinated and turned into a policy report by the taskforce working group that included chairmen's deputies, representatives of the knowledge partner, the B20 secretariat, and the business network partner.

Schedule of meetings

| # | Date | Location | Theme |
|---|--------------------|----------------|--|
| 1 | 18 Oct 2016 | Brussels | Brainstorming meeting to identify employment issues |
| 2 | 1 Nov & 2 Dec 2016 | Geneva/ Berlin | Recommendation development |
| 3 | 2 Feb 2017 | Teleconference | Refinement of recommendations and action |
| 4 | 14 Mar 2017 | Geneva | Prioritization and refinement of 2 nd draft |
| 5 | 21 Mar 2017 | Paris | Finalization of document |
| 6 | 3 May 2017 | Berlin | B20 Summit |

Distribution of members

| Country | # | Country | # | Country | # | Country | # |
|-----------|---|-----------|----|----------------|---|----------------|---|
| Argentina | 1 | Germany | 15 | Mexico | 1 | United States | 8 |
| Australia | 6 | India | 6 | Russia | 4 | European Union | 4 |
| Brazil | 0 | Indonesia | 0 | Saudi Arabia | 3 | International | 6 |
| Canada | 5 | Italy | 1 | South Africa | 2 | Other | 5 |
| China | 6 | Japan | 1 | Turkey | 8 | | |
| France | 3 | Korea | 2 | United Kingdom | 3 | | |

Taskforce members

| Name | Position | Organisation | Country Organisation | Deputy |
|-----------------------|---|--|----------------------|--------------------|
| Lei Zhang | Founder & CEO | Management Limited | China | |
| Yogendra Modi | Executive Chairman | Great Eastern Energy Corporation Ltd. | India | |
| Daniel Funes de Rioja | President | International Organisation of Employers | International | Victoria Giulietti |
| David Iakobachvili | President | Orion Heritage Co.Ltd | Russia | |
| Mthunzi Mdwaba | IOE Vice-President (Africa) | Unisectoral-Business Unity South Africa (BUSU) | South Africa | |
| Erol Kiresepi | Chairman & CEO | Santa Farma Pharmaceuticals | Turkey | |
| Kathryn Porter | Director of Youth Strategy for Europe, Middle East and Africa | Hilton Worldwide | UK | |
| Peter Robinson | President and CEO | USCIB | US | |
| Victor Dosoretz | Treasurer | Argentina Chamber of Commerce and Services | Argentina | |
| Holly Ransom | CEO | Emergent | Australia | |
| Andy Song | Executive Vice President | eNotus International | Australia | Nigel Arthur |
| Jeremy Liddle | Cofounder & CEO | CapitalPitch | Australia | Luis Limon |
| Patrick Brothers | CEO | Navitas | Australia | |
| Mario Pennisi | CEO | Life Sciences Queensland Ltd (LSQ) | Australia | Mario Pennisi |
| Mark Clifford Grey | Executive Memeber | Global Coalition for Efficient Logistics | Australia | Alan John Wilkins |
| Ping Yu | Vice President | Global Business College of Australia | Cameroun | |
| Paul Oscar Mbom Ngue | Central Africa | AVD (Alternative - Volontariat - Développement) | Canada | |
| Sean Court | President | Beaumont & Co. | Canada | |
| Peter Woolford | Member of the Board of Directors | Canadian Employers Council | Canada | |
| Winston Chan | President of Board | HEC Montréal Entrepreneurship Accelerator | Canada | |

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|-------------------------|---|--|---------|------------------|
| Sun Xiao | Director | Policy Team, B20 China Host Committee | China | Ashley Yao |
| Qinghou Zong | President | Hangzhou Wahaha Group Co.Ltd | China | JIANG CHU |
| Lei Ning | Director | Baidu | China | |
| Gen Liang Cui | Chairman | Hengtong Group | China | Jiang Chu |
| Li Jiang | GM | YINTELLIGENCE Culture Communications (Beijing) Co., | China | |
| Garance Pineau | Deputy Director for Social Affairs | MEDEF | France | |
| Didier Bergeret | Director, Social Sustainability and GSCP | Consumer Goods Forum | France | |
| Bernard Spitz | Chairman of the International/Europe Cluster | MEDEF | France | Helene Bejui |
| Fiona Wilson | Manager of Government Relations | Futurpreneur Canada | Canada | |
| Jocelyn Ulrich | Global External Affairs | EMD Serono / Merck KGaA | Germany | |
| Robert Thurm | International Relations | GESAMTMETALL | Germany | Indra Hadelar |
| Ernst Stutz | Head of Compliance Central EU | Philip Morris International | Germany | |
| Gisela Eickhoff | Senior Adviser | Harting AG & Co. KG | Germany | |
| Christoph Obladen | Personnel Director and member of the DIHK Education | Heraeus Holding GmbH | Germany | |
| Lutz Mühl | Geschäftsführer | Bundesarbeitgeberverband Chemie e. V. | Germany | |
| Natascha Waltke | Advisor | German Federal Ministry of Labour and Social Affairs | Germany | |
| Hansjoerg Schmidt-Trenz | Chief Executive | Hamburg Chamber of Commerce (HK Hamburg) | Germany | |
| Thomas Koenen | Geschäftsführendes Vorstandsmitglied | Econsense | Germany | Karsten Schröder |
| Jens Nagel | Hauptgeschäftsführer | Außenhandelsvereinigung des Deutschen Einzelhandels | Germany | |
| Heide Franken | Geschäftsführerin | Randstad Holding | Germany | Köster-Brons |

| | | | | |
|---------------------------------------|--|---|---------------|------------------------|
| Neha Gupta | Executive Officer, Higher Education | Confederation of Indian Industry (CII) | India | |
| Kumara Gurudnv | Director | Indian School of Business | India | |
| Pallavi Raochaturvedi | Director | AISECT | India | |
| Vijay Thadani | Vice Chairman & Managing Director | NIIT Limited | India | |
| Shankar Vanavarayar | President | Kumaraguru College of Technology | India | Vijila Kennedy |
| Rodrigo Gouveia | Director of Policy | International Co-operative Alliance | International | |
| Antonio Capaldo | Innovation Manager | Antonio Capaldo Spa | Italy | |
| Satoshi Mukuta | Senior Managing Director | Keidanren (Japan Business Federation) | Japan | |
| Chang Hwi Lee | CEO | CreBiz Factory | Korea | |
| Seung Cheol Lee | Vice Chairman | Federation of Korean Industries | Korea | |
| Giorgiana Karenina Martinezgarnelo | President and Founder | Calvo JóvenesMéxico® | Mexico | |
| Annemarie Muntz | Director of Group Public Affairs and president of the World Employment Confederation | Randstad Holding | Netherlands | Sonja Van Lieshout |
| Philip O'Reilly | Director and Chair | Iron Duke Partners Director and Chair BIAC | New Zealand | |
| Marcinowicz Walery | Director | HayGroup | Poland | |
| Janusz Piertkiewicz | Executive Vice President | Employers of Poland | Poland | Andrezej Malinowski |
| Victor Sedov | President | Centrer for Entrepreneurship, LLC | Russia | |
| Marina Moskvina | Managing Director | Russian Union of Industrialists and Entrepreneurs | Russia | Natallia Hoffmann |
| Mikhail Iakobachvili | Vice-President | Orion Heritage Co.Ltd | Russia | |
| Shadi Khawandanah | Chairman Of The Board I Executive Member Of The Board | Special Direction I International Chamber Of Commerce | Saudi Arabia | |
| Hoda Mansour | Senior Advisor to A'amal Group CEO | A'amal Group KSA | Saudi Arabia | |
| Aisha Izzet | Director of Advisory Unit Policy and Innovation | Takamol | Saudi Arabia | |

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|-------------------------|--------------------------------------|--|--------------|----------------------|
| Paul Bradley | Chairman and CEO | Caprica International | Singapore | Paul William Bradley |
| Khathutshelo Mashau | Chairman | Nunnovation Africa Foundation | South Africa | |
| Jose Maria Lacasa | President of Foundation | CEOE | Spain | |
| Shea Gopaul | Executive Director | Global Apprenticeships Network | Switzerland | Cristina Gueco |
| Bettina Schaller | Head Group Public Affairs | Adecco Group | Switzerland | Menno Bart |
| Yildirim Koraybalkaya | Press and Public Affairs Officer | Turkish Confederation of Employer Association | Turkey | |
| Emine Feyhan Yasar | Vice Chairperson | Yasar Holding CO | Turkey | |
| Yilmaz Argüden | Chairman | ARGE Consulting | Turkey | Erkin Erimez |
| Zuberyde Agsakalli | Project Coordinator | Young Businessmen Association of Turkey | Turkey | |
| Bülent Pirlir | Secretary General | Turkish Confederation of Employer Association | Turkey | |
| EBRU DICLE | DEPUTY SECRETARY GENERAL | TUSIAD (Turkish Industry & Business Association) | Turkey | |
| Ezgi Çelik | Social Policy Expert | Turkish Industry & Business Association | Turkey | |
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| Carol Lake | Managing Director | JPMorgan Chase & Co. | UK | Hang Ho |
| Jason Ma | Founder, CEO & Chief Mentor / Author | ThreeEQ, Inc. / Young Leaders 3.0 | US | Gail Ma |
| Ismail Haznedar | President | Jain Global Angel Investing Network | US | Ismail Haznedar |
| Charles Fadel | Founder | Center for Curriculum Redesign | US | |
| Mark Allin | President and CEO | John Wiley & Sons | US | Andrew Tein |
| Lynn Shotwell | Executive Director | Society for Human Resource Management/CFGI | US | |
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| Ronnie L. Goldberg | Senior Counsel | USCIB/ IOE/BIAC | US | |
| Madonna Jarrett | Director Deloitte Belgium | Deloitte | Belgium | |

| | | | | |
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| Matthias Thorns | Senior Adviser | International Organisation of Employers | International | |
| Thannaletchimy Housset | Adviser | International Organisation of Employers | International | |
| Linda Kromjong | Secretary General | International Organisation of Employers | International | |
| Roberto Suarez-Santos | Deputy Secretary General | International Organisation of Employers | International | |
| Paul Noll | Deputy Director European and International Affairs | Confederation of German Employers (BDA) | Germany | |
| Renate Hornung-Draus | Managing Director BDA, Director European and International Affairs | Confederation of German Employers (BDA) | Germany | |
| Laura Wyss | Senior Adviser | Confederation of German Employers (BDA) | Germany | |
| Michael Stiefel | Senior Adviser | Confederation of German Employers (BDA) | Germany | |

B20 Presidency



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